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MINUTES OF REGULAR MEETING OF THE EXECUTIVE COMMITTEE  
OF PHILIPPINE SUGAR ASSOCIATION, HELD ON TUESDAY, JUNE  
1, 1954.

PRESENT:

Mr. Manuel Elizalde  
Mr. Ernesto Escaler  
Mr. I. Planas  
Mr. G. L. Noriega, alternate for Mr. J. Amado  
Araneta  
Mr. J. J. Brickley  
Mr. E. J. Brias, alternate for Mr. Antonio Roxas  
Mr. S. Jamieson

ABSENT:

Mr. G. H. Wilkinson

Mr. Manuel Elizalde, President, called the meeting  
to order and thereafter presided. Mr. S. Jamieson, Secre-  
tary-Treasurer, kept the minutes.

MINUTES OF PREVIOUS MEETING

The Minutes of the regular meeting of the Exec-  
utive Committee held on May 4, 1954, having been previous-  
ly signed and approved by all the Members of the Committee  
present at that meeting, on motion duly made and seconded,  
were ordered filed.

SECRETARY-TREASURER'S REPORT

The Secretary - Treasurer submitted his report for  
the period May 4 to June 1, 1954, showing total expendi-  
tures in the amount of P10,329.55 and cash on hand and  
in the PNB of P48,807.82. He explained that the expendi-  
tures of P10,329.55 included the amount of P4,713.95 for  
miscellaneous expenses in connection with the waiver of  
progressive taxes, the charging of which to General Ex-  
pense was approved at the previous meeting. On motion  
duly made and seconded, the Secretary-Treasurer's report  
was approved and ordered filed.

INTERNATIONAL SUGAR AGREEMENT

A letter from the Department of Foreign Affairs  
dated May 14, advising that the British Secretary of  
State for Foreign Affairs had acknowledged receipt of  
the instrument of ratification of the International  
Sugar Agreement was presented for the information of  
the Committee and ordered filed.

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Regarding a letter dated April 30 from the Department of Foreign Affairs requesting the Association to submit the name of a candidate for the post of Executive Director of the International Sugar Council, the Secretary-Treasurer was instructed to reply that the Association's representative had been in personal touch with the International Sugar Council on this matter and that a temporary arrangement had been made pending the selection of a permanent Executive Director for which the names of three candidates had so far been suggested.

#### EXCESS SUGAR PRODUCTION

Regarding our 1953-54 excess sugar production, the Association, as stated in previous Minutes, cabled its representative in London some weeks ago inquiring whether a low grade non-centrifugal sugar made at mills from surplus cane would be permissible for export under Section 3, Article 2, Chapter II, of the International Sugar Agreement which exempts low-grade sugar produced by primitive methods from the provisions of the Agreement. The individual members of the Executive Committee of the International Sugar Council were sounded out on this matter prior to that Committee's meeting in London on May 3, 1954, and it was found that there was practically unanimous opinion that to permit such exportation would be to open the door wide to the circumventing of the quota restrictions and could destroy the full quota structure, and we were so advised by our representative. The matter was discussed at length and the Committee came to the conclusion that, in view of the existing surplus of sugar in world markets, which has already necessitated two reductions in the world quota since the new International Sugar Agreement was enacted, and since the Philippines have an absolute quota in the U. S. market for approximately two-thirds of its production, and a substantial and expanding local market, plus a modest quota in the world market, mills should perhaps give these factors due weight when and if it becomes necessary to consider making a low grade non-centrifugal sugar for export. It was felt that such exportation of low grade sugar to world markets would aggravate the adverse conditions prevailing there today as a result of surplus sugar production. The Secretary-Treasurer was instructed to convey the Committee's views to Central Members by circular-letter.

#### ALLOCATION OF 22,500 METRIC TONS PHILIPPINE QUOTA IN THE WORLD MARKET

The Committee was informed that House Bill No. 1600, which was passed by Congress, provides for the

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allocation of the world sugar quota on the same basis as our Domestic allocation of "B" sugar and that the said Bill is now before the President for approval.

WASHINGTON REPRESENTATIVE

The Secretary-Treasurer submitted the following draft of a letter to the Honorable Jose E. Romero covering his appointment as the Association's Washington representative:

"Dear Sir:

This is to confirm your appointment, effective June 1, 1954, as the Philippine Sugar Association's Washington representative at a monthly salary of \$2,000.00, plus \$500.00 monthly for entertainment and miscellaneous expenses, plus automobile and chauffeur, with exchange tax, if any, on dollar remittances to cover the foregoing for this Association's account.

The appointment will be on a year to year basis and may be terminated by either party giving the other written notice of termination on or before May 1, in which event the appointment will terminate on May 31 of the year in which such notice is given.

It will be appreciated if you will kindly confirm your acceptance of this appointment by signing and returning the attached duplicate copy of this letter."

The draft was approved. The Secretary-Treasurer was instructed to prepare the letter for Mr. Elizalde's signature and thereafter to send it to Mr. Romero for confirmation.

Regarding the organization of the Washington office, the Committee felt that this should be left to the discretion of Mr. Romero. The Secretary-Treasurer was instructed to notify him accordingly and to request him to submit the following details:

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- 1 - Office rental
- 2 - Estimated cost of office furniture and equipment, including installations
- 3 - Office personnel, including their monthly salaries
- 4 - Miscellaneous office expenses
- 5 - Cost of automobile
- 6 - Estimated running expenses of automobile, including chauffeur's salary

as soon as possible in order that arrangements may be made at the Central Bank for monthly dollar remittances for the regular expenses and also for a special remittance covering the initial expenses for office furniture, equipment and installations, and automobile, etc.

Mr. Romero left England on the "Queen Mary" on May 20, and Mr. Elizalde has been advised by cable that he had arrived in the U. S.

#### LEGISLATION

In accordance with the decision taken at the last meeting, a protest was duly filed against S. Bill 164, entitled AN ACT TO AMEND CERTAIN SECTIONS OF ACT NO. 4166, AS AMENDED, OTHERWISE KNOWN AS THE SUGAR LIMITATION LAW, which, inter alia, would have granted allotments for local refined sugar exclusively to two entities, and a copy of the protest is attached hereto and made a part of the Minutes. The Bill failed of passage.

#### DONATION OF 10,000 PICULS OF SUGAR TO PEACE & AMELIORATION COMMISSION

The Secretary - Treasurer reported that no regulations had yet been issued by the Sugar Quota Administration as to whether the 10,000 piculs of sugar to be donated by the sugar industry to the Peace & Amelioration Commission would be drawn from the "B" (Domestic) or "C" (Reserve) quotas or both. Mr. Elizalde, as Chairman of this Commission, kindly undertook to secure the necessary action by the Sugar Quota Administration.

#### CHARTER PARTY FORM

The Secretary - Treasurer reported that a draft form of Charter Party for sugar shipments from the Philippines to U. S. Atlantic Coast Ports had been received from a London firm of shipping brokers with a request for the views of Philippine sugar shippers on the proposed form. It was considered desirable that a Charter Party acceptable in form to both Philippine shippers and charterers should be available in case it ever becomes necessary to charter vessels for sugar shipments and the Secretary - Treasurer was requested to refer the matter to the Sub - Committee on Sugar Freight Rate for study and report.

#### BULK SHIPMENTS

In accordance with Mr. Noriega's request, the information available at the Philippine Sugar Institute and in the Association's files pertaining to bulk shipments of sugar and the U. S. Refineries presently equipped to handle bulk shipments, will be circulated among Central Members for their information, and for this purpose Mr. Musi was instructed to obtain the information from the Philippine Sugar Institute and to correlate it with the information in the Association's files.

#### REVISED ESTIMATE OF 1953-54 CROP

The Secretary - Treasurer presented the latest estimate of the 1953-54 crop showing a total production of 1,425,826 short tons as per statement attached and made a part of the Minutes. The release of this estimate to Central Members and other interested parties was authorized.

#### SUGAR BAG REQUIREMENTS

The Secretary - Treasurer presented a tabulation of replies received from sugar mills to a circular - letter sent out by the Association requesting details of their 1954-55 bag requirements after taking into account the carry-over from the 1953-54 crop and the orders already placed against 1954-55 requirements. The situation was reviewed by the Committee in the light of the operating problems presently confronting local bag manufacturers, and after a lengthy discussion it was felt that it would be in the interest of the Philippine sugar industry to have the present ban on importation of bags lifted as from the beginning of the second semester of 1954 to the extent that sugar mills be permitted to import, if not all, at least 50%

of their 1954-55 bag requirements. It was felt, however, that there would be no objection to placing orders with local bag manufacturers for up to 50% of requirements provided that the price differential between the local bag and the imported bag did not exceed P0.05 a bag. The Secretary-Treasurer was instructed to prepare for Mr. Elizalde's signature a letter to the Central Bank requesting that the ban on the importation of sugar bags be lifted as above suggested. Mr. Elizalde will take the letter personally to the Economic Coordination Administrator to explain the situation to him and will also inform representatives of local bag manufacturers of the Association's stand and the reasons therefor.

#### CONTRIBUTIONS

Action was taken on requests for contributions, as follows:

NEPA. - The Secretary-Treasurer was requested to write to NEPA in reply to their letter of May 21, 1954, notifying them that the Association has no appropriation for sustaining memberships in other associations and suggesting that their request be directed to sugar mills individually.

LIBERTY WELLS ASSOCIATION. - The Secretary-Treasurer was instructed to inform the Chairman of the Liberty Wells Association that their appeal for funds should be made directly to the centrals. It was mentioned that since most sugar centrals already have artesian wells in their compounds for the benefit of residents, they might be disposed to regard themselves as having already done their part in accomplishing the laudable mission of the Liberty Wells Association.

EIGHTH ANNIVERSARY OF THE REPUBLIC OF THE PHILIPPINES ON JULY 4, 1954. - The Secretary-Treasurer was requested to write to the Chairman, Sub-Committee on Finance, for the celebration of the Eighth anniversary of the Republic of the Philippines on July 4th, suggesting that he submit his appeal for contributions to the centrals individually.

#### SALES OF SUGAR IN THE WORLD MARKET

Regarding the announcement in the press that the FOA had named the Philippines, Formosa, and Indonesia as eligible sources of supply for \$4,212,000 worth of sugar, for which the U. S. will provide funds, for delivery to Iran, the Secretary-Treasurer reported that he had written a letter to the FOA enquiring whether the sugar will be refined sugar or raw sugar, what

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quantity the Philippines is likely to be asked to bid on, when delivery will be required, the port of delivery, and when a request for bids may be expected; and that in reply he had been verbally informed that the local office of the FOA is without the necessary information but believes that in accordance with regular FOA procedure licenses would be granted to Iranian importers who would then make enquiries at the various sources of supply.

(SGD.) S. JAMIESON  
Secretary-Treasurer

APPROVED:

(SGD.) MANUEL ELIZALDE  
President  
Chairman of the meeting

(SGD.) ERNESTO ESCALER

(SGD.) I. PLANAS

(SGD.) G. L. NORIEGA

(SGD.) E. J. BRIAS

(SGD.) J. J. BRICKLEY



TEL. No.  
3-93-35

PHILIPPINE SUGAR ASSOCIATION

SIXTH FLOOR, AYALA BUILDING

P. O. BOX 2285  
MANILA, PHILIPPINES

CABLE ADDRESS:  
PHILSUG

May 9, 1954

To the Honorable Members of the  
Congress of the Philippines:

On behalf of the Central Members of the Philippine Sugar Association, may I respectfully bring to your attention the introduction of the said Centrals to H. Bill No. 2346, introduced by Congressman Lorenzo C. Tores of the 1st District of Negros Oriental, and S. Bill No. 164, which will, I understand, be passed by the said body and transmitted to you. Both are entitled "AN ACT TO AMEND ACT NO. 4166, OTHERWISE KNOWN AS ACT NO. 4166, OTHERWISE KNOWN AS 'THE SUGAR LIMITATION LAW'."

The bill is unfair to centrals not benefited by the proposed legislation.

Section 4 of the above-mentioned bill proposed to amend Section 8 of Act No. 4166 by providing that THE TOTAL AMOUNT OF "RAB" ALLOCATION SHALL BE MADE IN EQUAL PROPORTIONS TO THE EXISTING SUGAR REFINING PLANTS. It is of public knowledge that at present there are only two refineries in the Philippines, namely: the refinery of the Insular Sugar Refining Corporation at Mandaluyong, Rizal, and the refinery attached to the sugar plant of the Victorias Milling Company, Inc., at Victorias, Occidental Negros. Under the proposed amendment, the right to refine sugar for domestic consumption would be granted only to these refineries, to the exclusion and prejudice of the other twenty-four (24) sugar centrals which do not have refining plants at present but may desire to install them at some future time.

Competition is the source of a healthy economy. It needs no special elaboration to show that the consuming public benefits from fair and honest competition. To deny other sugar centrals from participating in the production of refined sugar for local consumption would not only curtail their freedom to carry out their business activities to their full extent but would also deprive the consuming public of the reasonable prices that result from honest and fair competition.

Our present laws adequately cover the local needs for refined sugar.

The proponents of the above bills, in their explanatory note, state that "the present existing laws on sugar have failed to deal with refined

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sugar for local consumption." We beg to differ with them on this point and bring to the attention of the Honorable Members of the Congress the following:

At the beginning of each milling season, the Sugar Quota Administrator, by virtue of the powers vested in him by Act No. 4136, issues an Order fixing the allotments for sugar to be produced for export ("A") and domestic consumption ("B"). For example, Philippine Sugar Order No. 1 (Series of 1953-54), dated September 1, 1953, in establishing the domestic quota for the crop year 1953-54, provides as follows:

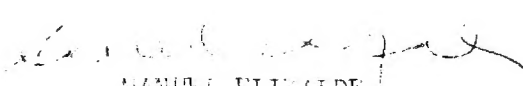
"Sec. 2. (a) There is allotted a quota of "B" centrifugal sugar which may be manufactured during the crop year 1953-1954 for consumption in the Philippines either in its original form or as refined sugar, of 287,455.00 short tons, commercial weight, it being understood, however, that any refining loss shall not be replaced." (Underlining ours)

From the provision above quoted, which I may state is customarily embodied in all Sugar Orders of the Sugar Quota Administration with respect to the domestic quota, it can readily be seen that the matter of refined sugar for local consumption is already adequately dealt with. Recipients of the "B" quota may themselves convert their allocations into refined sugar if they find it necessary and convenient to do so.

In this connection, it may be mentioned that the Sugar Quota Administrator issues the yearly Sugar Order fixing the domestic quota only after his Office has made a careful study, in consultation with planters, millers and dealers, of the local market requirement. This is done for the protection of both producers and consumers.

There is no reason, therefore, to fear that the supply of refined sugar for local consumption will be adversely affected in the absence of legislation such as is contemplated in the two bills above referred to.

Very respectfully yours,

  
MANUEL ELIZALDE  
President

PHILIPPINE SUGAR ASSOCIATION  
Manila, Philippines

June 2, 1954

1953-1954 CROP ESTIMATE

(Revised)

MILL NO.	CENTRALS	A R E A S		I N C A N E		AVERAGE PICULS PER HECTARE		TOTAL PICULS
		Plant (Has.)	Ratoon (Has.)	Total (Has.)				
LUZON:								
11-Canlubang .....		5,203.00	4,418.90	9,621.90	83.14			799,961.62#
16-Del Carmen .....		7,379.10	6,671.70	14,050.80	68.15			957,537.00#
17-Don Pedro .....		8,841.81	3,908.33	12,750.14	94.12			1,200,000.00
29-Hind .....		1,404.80	159.40	1,564.20	65.74			102,844.00#
31-Norte .....		500.00	-	500.00	32.93			16,466.00#
34-Paniqui .....		1,782.95	819.09	2,602.04	52.69			139,777.00#
35-Pasudeco .....		11,286.59	8,464.27	19,750.86	53.16			1,050,000.00
45-Tarlac .....		8,296.57	5,509.50	13,806.07	80.76			1,114,955.00#
T o t a l -----		44,694.82	36,001.79	74,696.61	72.05			5,381,540.62
In Short Tons --								375,201.01
NEGROS:								
3-Bacolod-Murcia ....		6,266.35	6,009.31	12,275.66	86.21			1,110,063.00
4-Bais .....		2,349.57	4,370.86	6,720.43	143.00			961,000.00
8-Binalbagan-Isabela.		10,155.31	10,295.76	20,451.07	113.57			2,322,634.00#
15-Danao .....		1,661.80	3,200.58	4,862.38	78.30			381,179.00
19-Hawaiian-Philippine		5,821.42	3,372.90	9,194.32	134.16			1,222,444.00#
22-La Carlota .....		8,000.07	5,304.30	13,304.37	125.53			1,677,590.00#
24-Lopez .....		3,405.00	4,938.04	8,343.70	70.58			588,877.00
26-Ma-ao .....		5,651.08	4,458.23	10,109.91	102.51			1,036,395.00#
38-San Carlos .....		2,102.00	3,400.00	5,502.00	134.84			750,000.00
44-Talisay-Silay .....		4,821.51	4,402.00	9,224.11	122.19			1,127,102.00#
46-Victorias .....		10,241.00	11,617.00	21,858.00	100.15			2,129,000.00
T o t a l -----		60,536.37	61,435.58	121,971.95	109.18			13,306,284.00
In Short Tons --								927,714.12
PANAY:								
2-Asturias .....		1,290.00	2,110.00	3,400.00	80.81			274,753.00#
36-Filar .....		2,307.17	2,197.70	4,504.87	113.91			520,000.00
42-Santos-Lopez .....		1,663.00	2,108.00	3,771.00	88.88			335,174.00
T o t a l -----		5,320.17	6,415.70	11,735.87	96.28			1,129,927.00
In Short Tons --								78,778.51
CEBU:								
9-Bogo-Medellin .....		1,800.00	1,600.00	3,400.00	94.12			320,000.00
In Short Tons --								22,310.40
LEYTE:								
2-Ormoc .....		1,172.00	1,934.00	3,106.00	76.95			239,000.00
In Short Tons --								16,663.08
MINDORO:								
30-Mindoro .....		627.00	693.00	1,320.00	50.06			74,000.00
In Short Tons --								5,159.28
GRAND TOTAL -----		114,150.36	102,080.07	216,230.43	94.63			20,450,751.62
In Short Tons --								1,425,826.40

# - Final Production

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